



World Economy & Development *in brief*

European Briefings on Globalisation, North-South Relations and International Ecology

The EU Presidency Outlook for Development German leadership heads south to Portugal

July marks the handover of the reins of the EU presidency from to Portugal, providing a moment to pause and assess the German contributions to development as well as the agenda for the rest of 2007 for the Portuguese. The EU has the opportunity to show it is capable of reforming the \$10billion of annual Community aid so that it brings tangible changes to people living in poverty, writes **Denise Auclair**.

It was during the highest profile moments of the German Presidency that the priority given to development issues appeared the weakest. The Presidency ended under the halo of Angela Merkel's successful leadership towards the agreement by the 27 Member States on a mandate for a shortened new Treaty, but development disappeared with the infamous "Part III" on EU policies in the earlier Constitutional Treaty. This was only slightly compensated by the **Petersberg Declaration** following the March informal meeting of Development Ministers, with its positive affirmations of EU commitments to development.

* **Pledges contradicted by reality**

At the June Heiligendamm G8 summit, the 2005 Gleneagles promises on increasing aid volumes through 2010 were reconfirmed, but this was contradicted by the reality of stagnant aid spending in 2006, as pointed out in the May CONCORD report, **Hold the Applause! EU governments risk breaking aid promises**. Germany pledged an additional €750m per year in aid, the only government to do so; however this is still only half the increase needed to reach the 0,51% of GNI pledge it made at EU level. On the eve of the halfway point

to the 2015 Millennium Development Goals, the summit outcomes left disillusioned the million citizens who had signed on the "Make Aid Work" campaigns run by the **Global Call to Action against Poverty** and networks such as **CIDSE** and **Caritas Internationalis**.

In the preceding month, Germany did lead the Council of Development Ministers to conclude that EU Member States should publish specific timetables for future aid increases. The Germans also saw through the EU Code of Conduct on Complementarity and Division of Labour in Development Policy, aimed at rationalizing the number of EU donors present in a country and/or across sectors, according to donors' "comparative advantage". In a significant step towards lessening the burden of contacts with multiple donors for developing countries, the Presidency overcame the hesitations of individual Member States that perceived this as infringing upon national policymaking. As with any voluntary code of conduct, the key lies in strong monitoring of progress. And yet the annual review process agreed by the Council appears timid, mainly relying upon OECD/DAC survey data on donor harmonization, widely criticised as complicit

with those assessed. The inclusion of a limited number of case studies may provide a better opportunity to challenge those who are not complying with the code.

* **Crucial months for Africa**

The Presidency marked a crucial six months for EU-Africa relations. Plans for a joint EU-Africa Strategy moved ahead, with agreement on a **draft outline** in May. Civil society judged the discussions to be biased from the start, as the terms of the debate were based upon the EU's own vision as set out in its **2005 Strategy for Africa**. Consultation of civil society as well as Parliaments was deemed to be superficial, particularly given the short timeframe. The schedule for conclusion of negotiations on the Economic Partnership Agreements was maintained for the end of 2007, despite strong criticisms of the likelihood that they would fulfill their mandate as a tool for development. A bright spot was the invitation of African, Caribbean, and Pacific (ACP) representatives to the May Council of Development Ministers to discuss the EPAs. Planning for the 10th European Development Fund (2008-13) also advanced, with an important agreement led by Germany to allow draft Country Strategy Papers to be examined by the EU-ACP Joint Parliamentary Assembly at the same time as they are considered by Member States in the Council.

Throughout the Presidency, the German government was receptive to contacts with civil society, joining German NGOs in several high-profile conferences on EU-Africa issues and the place of civil society; allowing open access to the June Joint Parliamentary Assembly in Wiesbaden; and facilitating meetings in Brussels with Council working groups on development and ACP matters. German NGOs experienced constructive exchange with the government, both at working level and at the highest levels, and participated in a mid-term and end-term review of the Presidency.

* **Towards an EU-Africa summit in December**

The Portuguese Presidency will have no time to idle during its second semester presidency, kicking off with the Inter-Governmental Conference on the new Treaty. One provision of the Treaty which will certainly affect development affairs is the new double function of the EU foreign affairs representative, linked both to the Council and to the Commission. The new supporting common diplomatic service will bring together Commission and Member State staff on foreign affairs. The risk may be that development will be ever more subsumed under EU foreign policy interests, rather than focusing on the interests of the poor.

The other high-level political event to mark the Presidency will be the EU-Africa summit on 8-9 December, provided the thorny question of Zimbabwean President Robert Mugabe's attendance in the context of an EU travel ban can be resolved. An EU-Africa Civil Society Forum will be organized by Portuguese NGOs in Lisbon on 29-31 October, with civil society looking to the Presidency to ensure transparency during the development of the joint EU-Africa Strategy and for a strong emphasis on issues related to poverty reduction. On the 10th EDF, the Presidency will have to answer the question raised with increasing urgency as to the timetable for ratification of the related protocols, which risk pushing the effective start date of funding to 2009/10, exposing a gap in EC funding at a crucial time for investments in Africa towards the Millennium Development Goals. The planned closure of the EPA negotiations will also require a great deal of diplomacy, given the scepticism surrounding their relative benefits and costs to ACP countries.

Portugal will host the informal meeting of Development Ministers on 22 September, ahead of the Council meeting of Development and Defense Ministers on 19-20 No-

vember. The Council will consider EU progress on policy coherence for development, based on a Commission report due for October 2007. The challenge will be to translate the expressed political will into an effective process whereby conflicts between other policies and development objectives can be discussed and resolved early on. Climate change and development will be the focus of the second edition of the EU Development Days in Lisbon on 7-9 November. The Presidency will also be giving special attention to migration, where there is a clear need to move away from the vision of increasing funding for migration control, towards a better understanding of the root causes of migration and its relation to development. The Portuguese will also work to more clearly define an EU policy on fragile states, with a current kaleidoscope of views as to just what that means.

*** Opportunity to reform**

Finally, the Portuguese take the helm of the EU just as the Organization for Economic Cooperation and Development's Development Assistance Committee (OECD/DAC) has released its key peer review report of European Community development assistance. The report includes recommendations that the European Commission focus more clearly on results for poverty eradication with better performance reporting; simplify procedures and give greater decision-making authority to EC Delegations; and intensify its consultation with civil society. Many of the DAC recommendations will find broad support within civil society (see for example the March CIDSE and Caritas Europa [report](#), **The EU's Footprint in the South: Does European Community development cooperation make a difference for the poor?** The Portuguese will need to immediately put the report on the Council agenda for discussion, in order to give the European Commission a strong political backing for change. With the Ghana High-Level Forum on Aid Effectiveness coming

up in September 2008, the EU has the opportunity to set the example by showing it is capable of reforming the \$10 billion of annual Community aid so that it brings tangible changes to people living in poverty.

Denise Auclair is Policy Officer for EU development policy at CIDSE (International Cooperation for Development and Solidarity) and Caritas Europa in Brussels.

Recommended citation: Auclair, Denise (2007) 'The EU Presidency Outlook for Development. German leadership heads south to Portugal', *World Economy & Development In Brief* (WDEV), Luxembourg, Issue 4/Jul-Aug (www.wdev.eu)